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TAGS: [EINV](#) [ECON](#) [KIDE](#) [USTR](#) [CVIS](#) [NU](#)  
SUBJECT: NICARAGUA: ATTORNEY GENERAL PROMISES AMBASSADOR PROGRESS ON  
PROPERTY CLAIMS

REFS: A) MANAGUA 0173 B) MANAGUA 106 C) MANAGUA 0002 D) 07

MANAGUA 2581 E) 07 MANAGUA 2494

SUMMARY

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¶1. (SBU) During the six-month review of the 2007-08 waiver year, Attorney General Estrada provided the Ambassador with a list of 62 U.S. citizen claims that the Government of Nicaragua (GON) considers resolved or close to resolution. Estrada also delivered an update on GON efforts to resolve claims under government control. The Ambassador highlighted that the GON has settled only 3 claims during this waiver year and there has been no progress in resolving property claims under the government's control. The Ambassador asked the GON for more time to allow U.S. citizens the opportunity to defend claims the Attorney General has dismissed. To ensure a more open dialogue on property issues, the Ambassador and Estrada agreed to meet every month to review progress on case resolutions. We are concerned that the GON's renewed interest in cooperating with us actually represents a strategy to shift blame from the GON to the USG and claimants should few cases be resolved in the remaining five months of the waiver year.

AMBASSADOR DISCUSSES LACK OF PROGRESS DURING WAIVER YEAR

¶2. (SBU) On February 26, the Ambassador met with Attorney General Hernan Estrada to review the first six months of the 2007-08 waiver year. Ruth Zapata, Chief of the Office of Assessment and Indemnification (OCI), also attended the meeting. The Ambassador reviewed Section 527 of the Foreign Relations Act, Fiscal Years 1994 and 1995, and the Secretary's three benchmarks for Nicaragua during the 2007-2008 waiver year.

¶3. (SBU) The Ambassador highlighted that the GON has settled only 3 claims during this waiver year and there has been no progress in resolving property claims under the government's control. The Ambassador voiced concern about the GON's dismissal of U.S. citizen claims without a clear explanation of these decisions, the GON's lack of flexibility with regard to allowing U.S. claimants the opportunity to defend their claims, and the denial of the Embassy's right to accompany U.S. claimants to meetings with GON officials. The Ambassador explained that he wants to establish a way forward to resolve a significant number of claims as soon as possible to avoid a "train wreck" when the current waiver year closes in July 2008.

GON FINALLY SEEKS USG COOPERATION ON PROPERTY CLAIMS

¶4. (SBU) Estrada listened to the Ambassador's comments and countered

that the Ortega administration is working diligently on U.S. citizen claims, adding that the GON wants to cooperate with the Embassy to resolve these cases. Estrada passed the Ambassador a list of 62 U.S. claims compiled by OCI which the GON considers either resolved or close to resolution.

15. (SBU) OCI Chief Zapata delivered a presentation that divided the U.S. property claims into five categories: a) 21 claims dismissed because the GON determined that the claimants were allies of Somoza (Ref B); b) 15 claims awaiting notification about advances in their cases but requiring the claimant's signature to accept the settlement offer; c) 15 claims that would be resolved in favor of the claimants if certain documents were provided; d) 6 claims that were previously resolved in favor of the claimant but for which the claimant rejected the settlement offer; and e) 5 claims settled via indemnification bonds [Note: Of these last five, the Embassy recognizes only three claims as resolved. We have received neither the settlement document or confirmation from the claimant for one of the claims the GON asserts is resolved. The other claim is not registered with the Property Office. End Note.].

16. (SBU) Estrada asked the Embassy to contact claimants for the cases listed in the presentation to advise them on what they must do for the GON to favorably resolve their claims. During the February 28 monthly Property Working Group meeting, Zapata promised to provide the Property Office detailed information on what claimants must provide to OCI or the National Confiscations Review Commission (CNRC) to advance and resolve their claims (septel).

#### NO RESOLUTION OF CLAIMS UNDER GOVERNMENT CONTROL

17. (SBU) The Ambassador urged Estrada to do more to resolve U.S. claims under government control. Zapata gave a 15-minute presentation on GON efforts to resolve these claims. The Ambassador reminded Estrada that the resolution of U.S. claims under government control is one of the benchmarks set forth in the Secretary's July

31, 2007, letter to Foreign Minister Santos. The Ambassador noted that the GON has yet to resolve a claim under government control during this waiver year.

#### MORE FLEXIBILITY AND TRANSPARENCY FOR "DISMISSED CLAIMS"

18. (SBU) The Ambassador emphasized the need for the Attorney General to conduct a transparent review process and to allow U.S. claimants enough time to contest dismissed claims. The Ambassador argued that it was unreasonable for the GON to simply dismiss claims that have been pending 10 years and then grants claimants only 10 days to appeal these decisions. The Ambassador also questioned the lack of transparency in the Attorney General's decision to dismiss claims that belong to alleged former Somoza allies (Ref B), noting that there is a lack of information available to the public on this topic.

#### AMBASSADOR AND ESTRADA AGREE TO MEET ON MONTHLY BASIS

19. (SBU) Throughout the meeting, the Ambassador pressed Estrada for cooperation between working-level contacts outside the monthly Working Group meeting, noting that monthly sessions are not resulting in sufficient progress. To ensure that there is open dialogue between the Property Office and the GON on property claims, the Ambassador and Estrada agreed to meet after every Working Group meeting to review progress, if necessary. The Ambassador also requested copies of final settlement documents to confirm the resolution of a claim, but Estrada was noncommittal.

#### COMMENT

110. (SBU) The GON sought to take the sting out of the six-month review by providing the Ambassador good news on the resolutions for U.S. claims and better communication between the Property Office and its counterparts at the CNRC and OCI. We are concerned, however, that the GON's renewed interest in cooperating with us actually represents a strategy to shift blame from the GON to the USG and claimants should few cases be resolved successfully during the five months that remain in the waiver year. The Property Office will work with the CNRC and OCI to resolve U.S. claims, but we will also

press the GON to uphold Estrada's commitments for the remainder of this waiver year or run the risk of a "train wreck."

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